

First Extraordinary Session, 2001

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HOUSE BILL NO. 2

BY REPRESENTATIVES DEWITT, MORRELL, MURRAY, ALARIO,
ANSARDI, BAYLOR, K. CARTER, DUPRE, FRITH,
GLOVER, GUILLORY, HEATON, HOPKINS, HUDSON, L.
JACKSON, JOHNS, MARTINY, MONTGOMERY, ODINET,
PIERRE, PINAC, PRATT, RICHMOND, JACK SMITH, STELLY,
TOWNSEND, TRICHE, WELCH, AND WOOTON AND SENATOR
HEITMEIER

GAMBLING/RIVERBOAT: Provides for gaming while riverboats are docked
and gaming on permanently moored riverboat vessels

1 AN ACT

2 To amend and reenact R.S. 27:44(23), 65(A), (B)(1), 91(C), and 92(B)(2)(b)
3 to enact R.S. 17:421.7, R.S. 27:44(17.1), 66, 66.1, and 66.2, and to
4 repeal R.S. 27:44(16) and 52(2)(f), relative to riverboat gaming; to
5 authorize licensed riverboats to conduct gaming while the riverboat is
6 docked subject to certain provisions; to provide for gaming on a
7 permanently moored riverboat vessel; to provide for riverboat gaming
8 under certain conditions in the parish of the official gaming
9 establishment and the payment of franchise fees; to provide for
10 definitions; to provide for exceptions; to provide for additional
11 franchise fees; to establish a special fund in the state treasury; to
12 provide for the deposit of certain monies into the fund; to provide for
13 uses of monies in the fund; to provide for applicability; to repeal
14 obsolete provisions authorizing certain local option elections; to repeal
15 certain requirements applicable to riverboat construction; to provide for

1 the inspection and certification of riverboats; to provide for the number
2 of riverboats which may operate on a designated waterway; and to
3 provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 17:421.7 is hereby enacted to read as follows:

6 §421.7. Support Education in Louisiana First Fund

7 A. There is hereby established, as a special fund in the state
8 treasury, the Support Education in Louisiana First Fund (the SELF
9 Fund). After compliance with the requirements of Article VII, Section
10 9(B) of the Constitution of Louisiana relative to the Bond Security and
11 Redemption Fund, and after a sufficient amount is allocated from that
12 fund to pay all of the obligations secured by the full faith and credit of
13 the state which becomes due and payable within any fiscal year, the
14 treasurer shall pay to the SELF Fund an amount equal to the monies
15 received by the state treasury from the avails of the franchise fees
16 charged pursuant to R.S. 27:91(C)(2) through (4) and the revenues
17 required to be deposited in the SELF Fund pursuant to R.S.
18 27:92(B)(2)(b) and R.S. 27:270(A)(3). The monies in this fund shall
19 be used only as provided in Subsection B of this Section and only in the
20 amounts appropriated by the legislature. All unexpended and
21 unencumbered monies in this fund at the end of each fiscal year shall
22 remain in the fund. The monies in this fund shall be invested by the
23 state treasurer in the same manner as monies in the state general fund.
24 Interest earned on the investment of monies in this fund shall be
25 credited to the fund, following compliance with the requirements of

1 Article VII, Section 9(B) relative to the Bond Security and Redemption
2 Fund.

3 B. Monies in the SELF Fund shall be used and expended solely
4 as follows:

5 (1) Seventy percent of the monies in the fund shall be used to
6 provide an increase in the salary of certain public pre-kindergarten
7 through twelfth grade certificated personnel as defined in the annual
8 Profile of Education Personnel report and for other public pre-
9 kindergarten through twelfth grade classroom teachers in Fiscal Year
10 2001-2002 and annually to support such increase.

11 (2) Thirty percent of the monies in the fund shall be used to
12 provide public postsecondary education faculty salary increases,
13 including related benefits, to be distributed in accordance with a plan
14 developed jointly by the Board of Regents and the Division of
15 Administration in Fiscal Year 2001-2002 and annually to support such
16 increase.

17 Section 2. R.S. 27:44(23), 65(A), (B)(1), 91(C), and 92(B)(2)(b) are
18 hereby amended and reenacted and R.S. 27:44(17.1), 66, 66.1, and 66.2 are
19 hereby enacted to read as follows:

20 §44. Definitions

21 When used in this Chapter, the following terms shall have these
22 meanings:

23 * * *

24 (17.1) "Permanently moored riverboat vessel" means a floating
25 vessel incapable of self-propulsion and which is out of navigation.

26 * * *

1 (23) ~~"Riverboat"~~ Except as otherwise provided in this Chapter,

2 "riverboat" means a vessel which either of the following:

3 (a) A vessel which complies with all of the following:

4 (i) Carries a valid Certificate of Inspection issued by the United
5 States Coast Guard with regard to the carriage of passengers on
6 designated rivers or waterways within or contiguous to the boundaries
7 of the state of Louisiana.

8 ~~(b)~~(ii) Carries a valid Certificate of Inspection from the United
9 States Coast Guard for the carriage of a minimum of six hundred
10 passengers and crew.

11 ~~(c)~~(iii) Has a minimum length of one hundred fifty feet.

12 ~~(d)~~ (iv) Is of such type and design so as to replicate as nearly as
13 practicable historic Louisiana river borne steamboat passenger vessels
14 of the nineteenth century era and is paddlewheel driven. It shall not,
15 however, be a requirement that the vessel be steam-propelled or
16 maintain overnight facilities for its passengers.

17 ~~(e) Is paddlewheel driven.~~

18 (b) A permanently moored riverboat vessel.

19 * * *

20 §65. Licenses to conduct gaming activities upon riverboats; limitations

21 A. Notwithstanding any other provisions of law to the contrary,
22 upon application properly submitted and examined, the division may
23 issue up to fifteen licenses to conduct gaming activities on a riverboat,
24 ~~which is of new construction~~ in accordance with the provisions of this
25 Chapter. No more than six licenses may be granted for the operation

1 of gaming activities on riverboats for operation from any one ~~parish~~.
2 designated waterway.

3 B. Gaming shall be conducted aboard riverboats, subject to the
4 following requirements:

5 (1)(a) ~~In~~ Except as otherwise provided in R.S. 27:66, 66.1, and
6 66.2(B), in any parish, except a parish which borders the Red River
7 beginning five miles south of the Kansas City Southern
8 Company/Louisiana Arkansas Crossing Railroad Bridge in Rapides
9 Parish and ending five miles north of the Mid-South Company Railroad
10 Bridge in Caddo Parish authorized to conduct gaming pursuant to
11 Subparagraph (b) of this Paragraph, no gaming may be conducted while
12 a riverboat is docked, unless the vessel is docked for less than forty-five
13 minutes between excursions. However, should the master of the
14 riverboat reasonably determine and certify in writing that the weather
15 conditions or the water conditions are such that those conditions, which
16 the master shall specify, present a danger to the riverboat, its
17 passengers, and crew, then the riverboat may remain docked and
18 gaming may take place until such time as the master determines that
19 those conditions have sufficiently diminished to proceed or until the
20 duration of the authorized excursion has expired. A riverboat gaming
21 licensee authorized to conduct gaming pursuant to this Subparagraph
22 shall pay the franchise fee provided in R.S. 27:91(C)(1). If a riverboat
23 gaming licensee is authorized to and elects to transmit a written
24 notification by registered or certified mail, return receipt requested, to
25 the Louisiana Gaming Control Board and the division of the licensee's
26 election to conduct gaming operations while the licensed riverboat is

1 docked pursuant to R.S. 27:66, the licensee shall pay the franchise fee
2 in the amount provided in R.S. 27:91(C)(1) and the additional
3 franchise fee in the amount provided in R.S. 27:91(C)(2).

4 (b)(i) For the purposes of this Chapter, on or after September
5 15, 1993, in any parish which borders the Red River beginning five
6 miles south of the Kansas City Southern Company/Louisiana Arkansas
7 Crossing Railroad Bridge in Rapides Parish and ending five miles north
8 of the Mid-South Company Railroad Bridge in Caddo Parish, gaming
9 may be conducted while a riverboat is docked. A riverboat gaming
10 licensee authorized to conduct gaming while a riverboat is docked
11 pursuant to this Subparagraph shall pay the franchise fee in the amount
12 provided in R.S. 27:91(C)(1).

13 ~~(ii) Notwithstanding the provisions of Item (i) of this~~
14 ~~Subparagraph, in any parish which borders the Red River beginning~~
15 ~~five miles south of the Kansas City Southern Company/Louisiana~~
16 ~~Arkansas Crossing Railroad Bridge in Rapides Parish and ending five~~
17 ~~miles north of the Mid-South Company Railroad Bridge in Caddo~~
18 ~~Parish, upon the written request of the mayor and a resolution of the~~
19 ~~city council of a municipality, the governing authorities of these~~
20 ~~parishes may call an election to prohibit gaming while a riverboat is~~
21 ~~docked in their parish. Except as otherwise provided in this~~
22 ~~Subsection, such an election shall be conducted as provided in Chapter~~
23 ~~6-B of Title 18 of the Louisiana Revised Statutes of 1950 and may be~~
24 ~~held not later than October 16, 1993.~~

25 ~~(iii) In the parishes of Bossier and Caddo, a written request~~
26 ~~must be obtained from either the mayor and the city council of~~

1 ~~Shreveport or the mayor and city council of Bossier City, and~~
2 ~~thereafter, the governing authority of either city may call a citywide~~
3 ~~election to prohibit gaming while a riverboat is docked in that city, as~~
4 ~~provided in Item (ii) of this Subparagraph, and must be passed by a~~
5 ~~majority vote in the city holding the election. Except as otherwise~~
6 ~~provided in this Subsection, such an election shall be conducted as~~
7 ~~provided in Chapter 6-B of Title 18 of the Louisiana Revised Statutes~~
8 ~~of 1950 and may be held not later than October 16, 1993.~~

9 ~~(iv) Should the electors petition for an election as provided in~~
10 ~~Subsection B of this Section, the petition shall be in substantially the~~
11 ~~following form:~~

12 ~~PETITION TO~~

13 ~~The undersigned qualified electors respectfully request that you~~
14 ~~call an election to submit, in the manner provided by law to the~~
15 ~~qualified electors of the _____ of~~
16 ~~_____, the following proposition: "Shall gaming while~~
17 ~~a riverboat is docked, be prohibited in _____."~~

18 (c) Gaming may be conducted on a permanently moored
19 riverboat vessel as authorized by R.S. 27:66.1. A riverboat gaming
20 licensee authorized to conduct gaming on a permanently moored
21 riverboat vessel pursuant to R.S. 27:66.1 shall pay the franchise fee in
22 the amount provided in R.S. 27:91(C)(1) and the additional franchise
23 fee in the amount provided in R.S. 27:91(C)(3) or (4).

24 * * *

1 §66. Gaming conducted while a riverboat is docked

2 A. A riverboat gaming licensee, except a riverboat gaming
3 licensee authorized to conduct gaming while a riverboat is docked
4 pursuant to R.S. 27:65(B)(1)(b) or a riverboat to the extent authorized
5 and limited by the provisions of R.S. 27:66.2, may conduct gaming
6 while the riverboat is docked by complying with all of the following:

7 (1) Transmitting by registered or certified mail, return receipt
8 requested, written notification to the Louisiana Gaming Control Board
9 and the division of the licensee's election to conduct gaming while the
10 riverboat is docked. The notice shall specify the commencement date
11 when the riverboat gaming operations conducted while the riverboat is
12 docked will begin and shall be transmitted no less than thirty days prior
13 to the date such operations will begin.

14 (2) The licensee shall pay the franchise fee in the amount
15 provided in R.S. 27:91(C)(1) and the additional franchise fee in the
16 amount provided in R.S. 27:91(C)(2). The licensee shall begin paying
17 the additional franchise fee in the amount provided in R.S. 27:91(C)(2)
18 on the date when the riverboat gaming operations conducted while the
19 riverboat is docked will begin as set forth in the written notification
20 required by Paragraph (1) of this Subsection. After the licensee begins
21 paying the additional franchise fee in the amount provided in R.S.
22 27:91(C)(2), no reduction in the franchise fee shall be permitted
23 regardless of whether the licensee elects to conduct cruises or
24 excursions at any future date.

25 B. A riverboat gaming licensee authorized to conduct gaming
26 while a riverboat is docked shall be subject to all other applicable

1 provisions of law and rules and regulations which govern riverboat
2 gaming which are not inconsistent with the provisions of this Section.

3 C. Gaming while a riverboat is docked conducted on a riverboat
4 located in the parish of the official gaming establishment shall be
5 governed by the provisions of this Section and shall be limited by the
6 provisions of R.S. 27:66.2(B). A riverboat gaming licensee authorized
7 to conduct gaming while a riverboat is docked in the parish of the
8 official gaming establishment pursuant to the provisions of R.S. 27:66.2
9 shall pay the franchise fee in the amount provided in R.S. 27:91(C)(1)
10 and the additional franchise fee in the amount provided in R.S.
11 27:91(C)(4).

12 §66.1. Riverboat gaming operations conducted on a permanently
13 moored riverboat vessel

14 A. A permanently moored riverboat vessel shall meet all of the
15 following requirements:

16 (1) Have a maximum designated gaming space of thirty
17 thousand square feet.

18 (2) Have a minimum length of one hundred fifty feet.

19 B. A riverboat gaming licensee may conduct gaming on a
20 permanently moored riverboat vessel by complying with all of the
21 following:

22 (1) Transmitting by registered or certified mail, return receipt
23 requested, written notification to the Louisiana Gaming Control Board
24 and the division of the licensee's election to conduct gaming on a
25 permanently moored riverboat vessel, which notification must be

1 transmitted not less than thirty days prior to the date such gaming
2 operations begin.

3 (2) The licensee shall pay the franchise fee in the amount
4 provided in R.S. 27:91(C)(1) and the additional franchise fee in the
5 amount provided in R.S. 27:91(C)(3). The licensee shall begin paying
6 the additional franchise fee in the amount provided in R.S. 27:91(C)(3)
7 on the date gaming operations on the permanently moored riverboat
8 vessel commence.

9 C. The decision to conduct gaming on a permanently moored
10 riverboat vessel shall be irrevocable, effective on the date gaming
11 operations on the permanently moored riverboat vessel commence.

12 D.(1) For purposes of this Chapter, a permanently moored
13 riverboat vessel shall not be required to carry a valid certificate of
14 inspection issued by the United States Coast Guard. The permanently
15 moored riverboat vessel shall comply with the laws, ordinances,
16 regulations, building codes, and any other requirements governing the
17 construction, safety, and inspection standards for buildings and land
18 structures.

19 (2) In addition to the requirements of Paragraph (1) of this
20 Subsection, the permanently moored riverboat vessel shall be
21 maintained at safety and employee training standards as are required by
22 the United States Coast Guard for such vessels including but not
23 limited to hull integrity and shall comply with all other applicable
24 United States Coast Guard rules and regulations.

25 (3) The licensee at its expense shall cause to be conducted
26 quarterly an inspection of the permanently moored riverboat vessel for

1 compliance with the safety and employment standards as are required
2 by this Chapter and by any applicable United States Coast Guard rules
3 and regulations for such vessels including but not limited to hull
4 integrity. The inspector shall certify to the Louisiana Gaming Control
5 Board that the permanently moored riverboat vessel is in compliance
6 with the applicable standards required by this Chapter which are not
7 inconsistent with this Section. The inspections shall be conducted by
8 one or more persons, at least one of whom has credentials equivalent
9 to those required for United States Coast Guard inspections for
10 issuance and maintenance of a Certificate of Inspection.

11 (4) Notwithstanding the provisions of Paragraphs (1) through
12 (3) of this Subsection, or any other provision of law to the contrary, the
13 Louisiana Gaming Control Board or the state of Louisiana shall have
14 no liability and shall be immune from liability to any person for any
15 injury or loss or damage occurring on or related to any riverboat,
16 including a permanently moored riverboat vessel.

17 (5) Nothing in this Section shall be construed to limit the
18 authority of the United States Coast Guard with regard to permanently
19 moored riverboat vessels.

20 E. A riverboat gaming licensee authorized to conduct gaming
21 on a permanently moored riverboat vessel shall be subject to all other
22 applicable provisions of law and rules and regulations which govern
23 riverboat gaming, not inconsistent with the provisions of this Section.

24 F. Gaming conducted on a permanently moored riverboat vessel
25 located in the parish of the official gaming establishment shall be
26 governed by the provisions of this Section and the provisions of R.S.

1 27:66.2. A riverboat gaming licensee authorized to conduct gaming on
2 a permanently moored riverboat vessel in the parish of the official
3 gaming establishment pursuant to the provisions of R.S. 27:66.2 shall
4 pay the franchise fee in the amount provided in R.S. 27:91(C)(1) and
5 the additional franchise fee in the amount provided in R.S. 27:91(C)(4).

6 G. A riverboat licensed to conduct gaming in the parish of the
7 official gaming establishment shall comply with the requirements and
8 limitations provided in R.S. 27:66.2.

9 §66.2. Gaming while a riverboat is docked or on a permanently
10 moored riverboat vessel in the parish of the official gaming
11 establishment

12 A. Notwithstanding any provision in this Chapter to the
13 contrary, for purposes of this Section any riverboat licensed to conduct
14 gaming in the parish of the official gaming establishment, except as
15 provided in Subsection B of this Section, shall not be permitted to
16 conduct gaming while docked or moored and shall be required to
17 conduct cruises and excursions as provided in R.S. 27:65(B)(1) as in
18 effect January 1, 1997, and shall, in addition, meet the requirements of
19 R.S. 27:44(4) and R.S. 27:44(23)(c) and (d) as in effect January 1,
20 1997.

21 B. Notwithstanding any provision in this Chapter to the
22 contrary, the provisions of R.S. 27:65(B)(1)(a), 66, and 66.1 shall apply
23 to not more than one licensed riverboat, including a permanently
24 moored riverboat vessel, at any time which must be located on Lake
25 Pontchartrain in the parish of the official gaming establishment as
26 defined in R.S. 27:203 and 205(26) if and only if:

1 (1) Such riverboat, including a permanently moored riverboat
2 vessel, conducts gaming activities in an area not exceeding thirty
3 thousand square feet in the aggregate;

4 (2) The owner or operator of such riverboat, including a
5 permanently moored riverboat vessel, does not participate directly or
6 indirectly in the ownership, construction, operation, or subsidization of
7 any hotel of a size exceeding three hundred ninety-nine guest rooms
8 within a distance of one mile from the berthing area of the licensed
9 riverboat; and

10 (3) Such riverboat, including a permanently moored riverboat
11 vessel, does not maintain or offer for patron or public use on the vessel
12 or at its terminal, berthing area, or any hotel referred to above, more
13 than eight thousand square feet of restaurant facilities in the aggregate,
14 exclusive of food preparation and handling area.

15 C. In the event the riverboat, including a permanently moored
16 riverboat vessel, referred to in Subsection B of this Section violates any
17 of the restrictions set forth in Paragraphs (1), (2), and (3) of Subsection
18 B of this Section, no gaming may be conducted as long as such
19 violation continues.

20 D. Notwithstanding the provisions of Subsections B and C of
21 this Section, if the official gaming establishment is not subject to the
22 Amended and Renegotiated Casino Operating Contract among the state
23 of Louisiana by and through the Louisiana Gaming Control Board,
24 Harrah's Jazz Company and Jazz Casino Company, L.L.C., effective as
25 of October 30, 1998, as amended, and is not subject to any other casino
26 operating contract as defined in R.S. 27:205(6) which contains

1 exclusivity provisions in accordance with R.S. 27:201 et seq., any
2 riverboat licensed in the parish of the official gaming establishment
3 may conduct gaming activities in compliance with the provisions of
4 Subsection B of this Section without adhering to the restrictions set
5 forth in Paragraphs (1) through (3) of Subsection B of this Section.

6 E. A riverboat gaming licensee authorized to conduct gaming
7 while the riverboat is docked or on a permanently moored riverboat
8 vessel in the parish of the official gaming establishment shall be subject
9 to all other applicable provisions of law, rules, and regulations which
10 govern riverboat gaming, not inconsistent with the provisions of this
11 Section.

12 * * *

13 §91. Fees for issuance of licenses and permits

14 * * *

15 C.(1) A franchise fee shall be charged for the right to ~~operate~~
16 ~~on Louisiana waterways~~ conduct gaming activities on a riverboat at an
17 annual amount equal to fifteen percent of net gaming proceeds.

18 (2) In addition to the franchise fee authorized in Paragraph
19 (C)(1) of this Section, a franchise fee at an annual amount equal to
20 three percent of net gaming proceeds shall be charged for the right to
21 conduct gaming while the riverboat is docked, pursuant to the
22 provisions of R.S. 27:66.

23 (3) In addition to the franchise fee provided in Paragraph (C)(1)
24 of this Section, a franchise fee at an annual amount equal to five
25 percent of net gaming proceeds shall be charged for the right to conduct

1 gaming on a permanently moored riverboat vessel, pursuant to the
2 provisions of R.S. 27:65(B)(1)(c) and R.S. 27:66.1.

3 (4)(a) In addition to the franchise fee provided in Paragraph
4 (C)(1) of this Section, a riverboat gaming licensee conducting gaming
5 while the riverboat is docked under the provisions of R.S. 27:66.2 shall
6 pay a franchise fee or fees as follows:

7 (i) For any month in which a licensee receives net gaming
8 proceeds of less than six million dollars, the licensee shall pay the
9 franchise fee as provided in Paragraph (C)(1) of this Section and shall
10 not be required to pay an additional franchise fee.

11 (ii) For any month in which a licensee receives net gaming
12 proceeds of at least six million dollars but less than eight million
13 dollars, the licensee shall pay the franchise fee as provided in
14 Paragraph (C)(1) of this Section and an additional franchise fee equal
15 to two percent of net gaming proceeds for that month.

16 (iii) For any month in which a licensee receives net gaming
17 proceeds of eight million dollars or more, the licensee shall pay the
18 franchise fee as provided in Paragraph (C)(1) of this Section and an
19 additional franchise fee equal to three percent of net gaming proceeds
20 for that month.

21 (b) In addition to the franchise fee provided in Paragraph (C)(1)
22 of this Section, a riverboat gaming licensee conducting gaming on a
23 permanently moored riverboat vessel operating under the provisions of
24 R.S. 27:66.2 shall pay a franchise fee of an annual amount equal to five
25 percent of net gaming proceeds.

(5) A riverboat gaming licensee conducting gaming while the riverboat is docked shall not be required to pay an additional franchise fee under the provisions of Paragraph (3) or (4)(b) of this Subsection.

A riverboat gaming licensee conducting gaming on a permanently moored vessel shall not be required to pay an additional franchise fee under the provisions of Paragraph (2) or (4)(a) of this Subsection.

* * *

§92. Collection and disposition of fees

* * *

B.

* * *

(2) After complying with the provisions of Paragraph (1) of this Subsection, the state treasurer shall, each fiscal year, credit the following amounts to the following funds:

* * *

(b)(i) ~~The~~ Except as provided in Item (ii) of this Subparagraph, the franchise fee paid pursuant to R.S. 27:91(C)(1) to the state general fund.

(ii) Fifteen percent of the franchise fee paid pursuant to R.S. 27:91(C)(1) which is attributable to any riverboat gaming licensee which pays additional franchise fees pursuant to the provisions of R.S. 27:91(C)(2) through (4) to the Support Education in Louisiana First Fund as provided in R.S. 17:421.7.

(iii) Fifteen percent of the license fee paid pursuant to R.S. 27:91(B)(2) which is attributable to any riverboat gaming licensee which pays additional franchise fees pursuant to the provisions of R.S.

1 27:91(C)(2) through (4) to the Support Education in Louisiana First
2 Fund as provided in R.S. 17:421.7.

3 (iv) The franchise fees paid pursuant to R.S. 27:91(C)(2)
4 through (4) to the Support Education in Louisiana First Fund as
5 provided in R.S. 17:421.7.

6 * * *

7 Section 3. R.S. 27:44(16) and 52(2)(f) are hereby repealed in their
8 entirety.

9 Section 4. Nothing contained in this Act is intended or shall be
10 construed to violate or supersede the provisions of R.S. 27:241(H) or any of
11 the protection, conditions, obligations, requirements, provisions, or terms of
12 the Casino Operating Contract governing exclusivity of the land-based casino
13 in Orleans Parish.

14 Section 5. The provisions of this Act are hereby declared to be
15 nonseverable.

16 Section 6. This Act shall become effective upon signature by the
17 governor or, if not signed by the governor, upon expiration of the time for bills
18 to become law without signature by the governor, as provided in Article III,
19 Section 18 of the Constitution of Louisiana. If vetoed by the governor and
20 subsequently approved by the legislature, this Act shall become effective on
21 the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

DeWitt, et al.

HB No. 2

Abstract: Authorizes licensed riverboats to elect to conduct gaming while the riverboat is docked. Requires riverboats electing to conduct gaming while the riverboat is docked to pay an additional franchise fee of 3% of net gaming proceeds, except for riverboats located on portions of the Red River. Provides for riverboat gaming to be conducted on a permanently moored riverboat vessel upon payment of an additional franchise fee of 5% of net gaming proceeds. Provides that 70% of the revenues generated from the additional franchise fees shall be used for Pre-K through 12 teacher pay increases and 30% of the revenues, for post-secondary education faculty pay increases.

Proposed law authorizes a riverboat licensee to elect to conduct gaming while a riverboat is docked. Requires payment of an additional franchise fee of 3% of net gaming proceeds. Requires notice to Louisiana Gaming Control Board and state police, riverboat gaming enforcement division. (R.S. 27:66)

Proposed law authorizes gaming to be conducted on a permanently moored riverboat vessel upon election to conduct gaming on a permanently moored riverboat vessel by riverboat gaming licensee and payment of additional franchise fee of 5% of net gaming proceeds. (R.S. 27:66.1)

Proposed law provides for gaming conducted while a riverboat is docked or on a permanently moored vessel in the parish of the official gaming establishment. (R.S. 27:66.2)

Present law provides that the license fee to conduct gaming activities on a riverboat shall be the total of the following:

- (1) \$50,000 for each riverboat for the first year of operation and \$100,000 per year per riverboat thereafter. The license fee shall be due at the beginning of each year.
- (2) An amount equal to 3.5% of net gaming proceeds.

Proposed law retains these provisions of present law.

Present law provides a franchise fee shall be charged for the right to operate on Louisiana waterways at an annual amount equal to 15% of net gaming proceeds.

Proposed law deletes provision regarding the right to operate on Louisiana waterways and otherwise retains present law.

Proposed law provides that riverboat gaming licensees conducting gaming while the riverboat is docked in portions of the Red River shall continue to pay the franchise fee at an amount equal to 15% of net gaming proceeds.

Proposed law provides for the following:

- (1) An additional franchise fee at an annual amount equal to 3% of net gaming proceeds shall be charged for the right to conduct gaming while the riverboat is docked in all areas except the portions of Red River which are authorized to conduct gaming while a riverboat is docked under present law.
- (2) An additional franchise fee at an annual amount equal to 5% of net gaming proceeds shall be charged for the right to conduct gaming on a permanently moored riverboat vessel.
- (3) For a riverboat operating in the parish of the official gaming establishment a franchise fee or fees as follows:
 - (a) For any month in which a licensee receives net gaming proceeds of less than \$6,000,000, the licensee shall pay the franchise fee at an amount equal to 15% of net gaming proceeds and shall not be required to pay an additional franchise fee.
 - (b) For any month in which a licensee receives net gaming proceeds of at least \$6,000,000 but less than \$8,000,000, the licensee shall pay the fee the franchise fee at an amount equal to 15% of net gaming proceeds and an additional franchise fee equal to 2% of net gaming proceeds for that month.
 - (c) For any month in which a licensee receives net gaming proceeds of \$8,000,000 or more, the licensee shall pay the franchise fee at an amount equal to 15% of net gaming proceeds and an additional franchise fee equal to 3% of net gaming proceeds for that month.

Proposed law further provides that a riverboat gaming licensee conducting gaming on a permanently moored riverboat vessel operating in the parish of the official gaming establishment shall pay a franchise fee of an annual amount equal to 5% of net gaming proceeds.

Present law provides that no more than six licenses may be granted for the operation of gaming activities on riverboats for operation from any one parish.

Proposed law changes the provisions of present law to provide no more than six licences be granted for the operation of gaming activities on riverboats for operation from any one designated waterway.

Proposed law provides that a permanently moored riverboat vessel shall not be required to carry a valid Certificate of Inspection issued by the United States Coast Guard. Provides that a permanently moored riverboat vessel shall comply with the laws, ordinances, regulations, building codes, and any other

requirements governing the construction, safety, and inspection standards for buildings and land structures.

Proposed law further provides that the permanently moored riverboat vessel shall be maintained at safety and employee training standards as are required by the United States Coast Guard for such vessels including but not limited to hull integrity. Requires compliance with all other applicable United States Coast Guard rules and regulations.

Proposed law provides that the licensee at its expense shall cause to be conducted quarterly an inspection of the permanently moored riverboat vessel for compliance with the safety and employment standards as are required by present law and by any applicable United States Coast Guard rules and regulations for such vessels including but not limited to hull integrity.

Proposed law provides that the inspector shall certify to the Louisiana Gaming Control Board that the permanently moored riverboat vessel is in compliance with the applicable standards not inconsistent with present law or proposed law.

Proposed law provides that the inspections shall be conducted by one or more persons at least one of whom has credentials equivalent to those required for United States Coast Guard inspections for issuance and maintenance of a Certificate of Inspection.

Proposed law shall not be construed to limit the authority of the United States Coast Guard with regard to permanently moored riverboat vessels.

Proposed law provides that the Louisiana Gaming Control Board or the state of Louisiana shall have no liability and will be immune from liability to any person for any injury or loss or damage occurring on or related to any riverboat, including a permanently moored riverboat vessel.

Proposed law establishes the Support Education in Louisiana First Fund (SELF Fund) in the state treasury. Provides that 70% of the revenues generated from the additional franchise fees shall be used for Pre-K through 12 teacher pay increases and 30% of the revenues for higher education faculty pay increases (R.S. 17:421.7). Specifies that the monies shall be used in Fiscal Year 2001-2002 and annually to support such an increase. Further specifies the allocation of revenues collected by the franchise fees (R.S. 27:92(B)(2)(b)).

Proposed law is not intended or to be construed to violate or supersede the provisions of R.S. 27:241(H) or any of the protection, conditions, obligations, requirements, provisions, or terms of the Casino Operating Contract governing exclusivity of the land-based casino in Orleans Parish.

Proposed law is declared to be nonseverable.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 27:44(23), 65(A), 65(B)(1), 91(C), and 92(B)(2)(b); Adds R.S. 17:421.7 and R.S. 27:44(17.1), 66, 66.1, and 66.2; Repeals R.S. 27:44(16) and 52(2)(f))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Administration of Criminal Justice to the original bill.

1. Provides that both safety and employee training standards for permanently moored riverboat vessels shall be maintained at safety standards as are required by United States Coast Guard.
2. Changes inspections on a permanently moored riverboat vessel from annually to quarterly.
3. Provides that standards are those as are required by the United States Coast Guard for permanently moored riverboat vessels including but not limited to hull integrity.
4. Makes clear that riverboats conducting gaming while docked pay a 3% increased franchise fee and riverboat licensees conducting gaming on permanently moored riverboat vessels pay a 5% increased franchise fee.
5. Provides that proposed law shall not be construed to limit the authority of the United States Coast Guard with regard to permanently moored riverboat vessels.

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Changes present law limitations that no more than six licenses may be granted in one parish to no more than six licenses in any one designated waterway.
2. Provides that the money in the SELF Fund shall be used to provide an increase in teacher salaries in Fiscal Year 2001-2002 and annually to support such increase.
3. Provides numerous technical changes relating to a riverboat licensed to conduct gaming in the parish of the official gaming establishment.

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